



A National Cooperative

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Marching to the Beat of a New Drummer

An Interview with Steve Mapley

Mr. Steve Mapley, a 27-year employee of the U.S. Army, is the new Program Director for the Armament Retooling and Manufacturing Support (ARMS) Program and the Arsenal Support Program Initiative (ASPI). Mr. Mapley directs and sets the pace for these two federal programs to encourage commercial industry to locate within Army Ammunition Plants (AAPs) and Arsenals. In a recent interview, Mr. Mapley stressed the key objectives of reducing operating costs to the Army, nurturing existing ARMS industrial parks, planning new ones at underutilized government facilities, and establishing steady revenue streams and new jobs to boost local and state economies.

Would you briefly summarize the results you are seeing under the ARMS Program? What is the overall report card of ARMS at the ten AAPs where it is currently implemented?

I am greatly impressed with the results of the ARMS Program in terms of benefits to affected communities and to the Army. Together, the ten communities currently implementing ARMS are experiencing a positive economic impact of \$460 million per year. At the same time, the Army is reaping a steady benefit of over \$33 million per year. These are fantastic returns, considering that the Army invested \$21 million in calendar year 2000. ARMS seed money is a demonstrably valuable incentive that benefits commercial industry, the surrounding communities, and the Army.

Can you elaborate on this "seed money" concept and its beneficial effects upon industry?

Congress has been supporting the ARMS Program to the tune of \$20 to \$30 million per year. With this money, we induce Industry to locate commercial business ventures within our underused ammunition plants. Our incentives take many forms. Take facility enhancements, for instance. Boeing wanted to rent a building from the Army in Mississippi, so we funded our site manager to make building modifications tailored to meet Boeing requirements.

Boeing and other tenants also benefit from the security of residence on an Army site. Our tailoring of facility upgrades to meet specific tenant requirements or even general requirements, like applicable fire and safety code compliances, can really boost an incoming company's prospects for success. ARMS also offers a guaranteed loan program to nurture business stability and assist expansions. But, it's important to understand that ARMS is not just "a one-way street" designed to benefit tenants alone. By attracting commercial business ventures onto Army facilities, the Government benefits from the absorption of fixed overhead costs, retention of skills critical to ammo production, lowered plant maintenance costs, reduced Army product costs, and decreased future disposal costs. Local communities also benefit from steady streams of employment and salaries.

How does ARMS rent the facilities?

Tenant use agreements are one method that our facility contractors use to provide facilities to incoming businesses. Another feature attractive to businesses is the use of long-term tenant use agreements that encourage long-term investment. ARMS employs an array of flexible incentive tools that can respond to the specific needs of any given business venture. I recommend that all interested parties describe their specific business needs to our facility contractors and work with them to tailor those specific needs to our wide range of capabilities.

Are the "favorable terms of rental and financing" the same for all ARMS sites, or do they vary with site location?

Terms vary at each installation. Rates also vary, depending upon the market values of facilities in different regions and specific levels of demand at any given installation.



Steve Mapley is Program Director for ARMS

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Lake City Is Paving Its Future by Utilizing Its Past!



Pictured at left, newly-delivered autos await check-in at Allied Systems, Ltd. Vehicle Staging & Distribution Center at LCAAP.

An already-cooling economy, pushed perilously close to recession by recent events, has generated an especially cautious wait-and-see attitude across many communities, especially the business community. Whether or not the uncertain future lowers the economic climate closer to the bitter chill of recession, the qualities that can keep communities warm for investment are firmly in place in the aptly-named Independence, Missouri area.

In general, the Midwest U.S. real estate industry has always been able to attract business interests by pointing to those unique features of the Midwest that are attractive to entrepreneurs — its diverse economic bases, a traditionally-strong work ethic, the ongoing reinvestment of locally-based companies in their respective communities, and strong quality of life focus. These attributes will insure that most Midwestern communities shall continue to thrive.

One such community is found in Eastern Jackson County, Missouri, an area that has experienced steady economic growth during the past two years, primarily in Kansas City's outlying suburbs. The Lake City Army Ammunition Plant (LCAAP) has been a significant part of this growth activity in the surrounding Independence, Missouri area, ten miles from Kansas City.



Jack Figg, Director of Business Development and Community Affairs at LCAAP, inspects a new shipment of autos.

The ARMS Program has certainly had a warming effect on economic growth at LCAAP and the surrounding community. This program maintains defense readiness capability at LCAAP and helps curtail the chill of ongoing defense downsizing in the Independence area. In implementing ARMS at LCAAP, Mr. Mark DeYoung, President of Alliant Lake City Small Caliber Ammunition Company, LLC, recently confirmed the Alliant commitment to promote and execute commercial reuse at LCAAP by adding Mr. Jack Figg, as Director of Business Development and Community Affairs, to the Lake City leadership team.

Previous to his latest challenge, Mr. Figg spent nearly thirty-two years in the steel industry, where he specialized in the creative reuse and development of industrial and brownfield properties. His presence opens new opportunities for LCAAP and he is up to the challenge of helping the Alliant team to organize and conduct the successful facility reuse program that can draw investors in from the cold.

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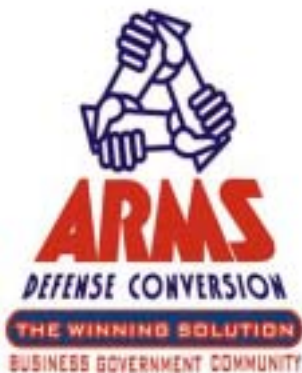
Lake City *(Continued from Page Two)*

Alliant is the largest source of small caliber ammunition, a perfect anchor business for what Mr. Figg hopes will become the largest industrial property for hundreds of miles. Mr. Figg's goal is to attract munitions-related businesses to LCAAP as core customers, while also inviting other industrial users to what he hopes will one day be referred to as the Lake City Business Center. Consider the most recent and visible example of commercial facility reuse installed at LCAAP — the presence of thousands of newly manufactured Ford Motor Company vehicles on its pavements.

Allied Systems, Ltd. recently signed a facility use agreement with Alliant to operate a vehicle staging and distribution depot capable of receiving, processing and dispatching as many as ten thousand new Ford vehicles from the factory in Claycomo, Missouri to the vehicles' ultimate owners. During the annual automotive model change period (August through October), large numbers of vehicles will arrive at the Allied Systems staging site at LCAAP and remain until final shipments to new owners are scheduled.

This creative reuse of vacated parking and storage lots located on the nearly 4,000 acre facility will result in accelerated improvement of LCAAP's aging asphalt surfaces. The existing parking lots help Allied sort and stage their products until it is time to dispatch the products to their intended customers. During the rest of the year, lower levels of these same activities will also be managed by this newest ARMS facility reuse tenant.

The revenue streams nurtured by successful management of ARMS at LCAAP will be tapped for upgrade and improvement of millions of square feet under roof, utility infrastructure improvements, and the environmental remediation required to meet the Army's demanding expectations. Both the Army and Alliant understand that revitalization takes time, commitment and considerable effort. However, both parties are heartened by accomplishments thus far and so look forward to continued growth in what someday may be the largest industrial and business center of its kind in the Midwest.



Mapley *(Continued from Page One)*

How long does it typically take for a client to complete paperwork and begin moving into an existing building?

In many cases, we have successfully "cut red tape" by delegating approval authority to local facility use managers. In these cases, concept approval can occur in one to two days. For those proposals that require Operations Support Command (OSC) approval, our goal is to obtain concept approval 90% of the time in 6 to 8 working days. Some concept proposals are approved very quickly and others can take several weeks, depending upon their complexity. Factors that can increase concept approval time include environmental considerations, permitting issues, extensive facility modifications, extended length contracts, utilization of production equipment, use of multiple facilities and any other special requirements.

What assistance is available to small start-up businesses?

Small business start-ups always have many questions (e.g., What about local taxes? How can I get buildings modified for use? Where can I get local financing? How do I produce any required environmental impact reports? Who's available in the local labor pool?). We and our site managers are ready to answer such questions.

Some ARMS sites also have small business incubators designed to enhance support to small businesses by offering ready-to-use office space, financing and a unique environment of standing up among other fledgling businesses. Each of our facility use managers can be contacted through the Operation Enterprise web site at www.openterprise.com.

Everything we can offer comes from all we have learned since the program began in 1993. We have a mature program in place that compares favorably to standard base closure. The Army is impressed with the value-added and cost reduction aspects of ARMS and appreciates its benefits to communities, especially during a time when "thinking outside of the box" is something that the business community needs more than ever.

Mr. Mapley and the ARMS Team are entering their ninth year of activity. In partnership with the private sector, they manage every facet of the ARMS Program — from funding the effective marketing of facilities, to reviewing and approving new business concepts and assisting in arranging for tenant financing. Mr. Mapley says, "It's exciting to be part of a group marching to the tune of economic revitalization. Doing business with once-thought-to-be-useless Government facilities is challenging. Doing it right promises great rewards for businesses, communities and the Army...at the end of a facilities 'tour of duty'."

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